demonstration in rural development activities. Under the Medical Budget we have provided Rs. 68,000 more than the revised estimate figures. Out of this increased provision, Rs. 25,000 has been ear-marked for the contribution to the Anti-Tuberculosis Fund started by Her Excellency Lady Linlithgow. Ninety-five per cent of this contribution will come back to us for expenditure in the State itself and it is my earnest hope that this will form the nucleus of a fund for fighting the ravages of this terrible disease. Besides these increased grants, we have made liberal provisions under the Education Department also. The increased grant of Rs. 69,000 under this head is intended partly for aiding the primary classes which have been opened since the year 1110. There is a steady increase every year in the number of divisions in the primary classes of the State. The problem of providing funds year after year for this inevitable and welcome growth will have to be faced seriously by the Government and this Council. From the experience of the last few years I find that we would have to make provision every year for an increase of 3,000 to 4,000 children in the primary classes. If all the classes are to be aided, we must find every year an additional amount of about Rs. 20,000 to Rs. 25,000 for this item alone in the Education Budget. Government are placing this subject shortly for the consideration of the Education Advisory Committee and I hope that later on, after the deliberations of the Committee are over, we would have a useful discussion on the subject on the floor of this House.

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RETRENCHMENT.

6. Simultaneously with the increased provision for the nation-building departments we have brought about considerable retrenchment in expenditure in the other departments. In my last budget speech I had mentioned that strict control is being exercised over public expenditure. This control has already borne fruit. A very substantial reduction has been effected under "Stamps, Stationery and Printing." For the last thirty years, our anchal stamps and judicial and revenue stamp papers were got printed from England. Arrangements have now been made for printing all these in India. The extent of saving that has been effected under this one item alone can be realised from the fact that a contract which according to the rates of the English manufacturers would have come to Rs. 97,000 has been settled in India for Rs. 45,000, thus effecting a saving of Rs. 52,000. The annual recurring saving under this item would be not less than Rs. 25,000. The Government Press has been in a most chaotic condition. Two experts were got down for examining the working of the Press and, as a result of the

recommendations of these experts and the consequent re-organisation, it is expected that a saving of not less than Rs. 17,000 would be effected in the working of the Press for 1114, and that an annual saving of not less than Rs. 20,000 would be effected when the re-organisation is complete. The rules relating to the supply of stationery and the Government Gazette have been revised with the result that the savings under these items would be not less than Rs. 5,000 per annum. Another item of expenditure on which considerable saving has been effected is the Sirkar Stables. An annual saving of Rs. 12,000 would be secured by the re-organisation that has recently been ordered. Honourable Members must note that all these savings to which I have drawn attention are not merely savings effected in one particular year but annual recurring savings. The quest for economy and retrenchment will be pursued still further and every effort will be made to keep down the expenditure within reasonable limits. From the foregoing figures it will be observed that the Budget Estimate for 1114 shows a surplus of Rs. 3·40 lakhs. Last year I mentioned that in my opinion it will be prudent to prepare our annual budget with a margin of at least Rs. 3 lakhs. The surplus of Rs. 3·4 lakhs anticipated for 1114 would afford a safe margin.

THE COCHIN HARBOUR.

7. All the works in connection with the fourth and final stage of the Harbour are progressing satisfactorily. Practically the whole of the capital dredging and the reclamation have been completed. Only the dredging at the wharf site remains. The new bucket dredging plants have arrived and the vessels were put in commission after satisfactory trials. The construction of the ships' wharf is proceeding satisfactorily. One thousand and four hundred feet of steel sheet piles have been driven and the construction of the anchor wall is proceeding apace. The first consignment of electric cargo-handling cranes is expected to arrive from England shortly and their erection will be undertaken soon after. The construction of the warehouse at the wharf has just been commenced and the foundation piles have been driven. The Administration Block of buildings to accommodate all the offices of the port have been completed and occupied in February 1938. The power house at the Willingdon Island has been completed and three generating sets with a combined maximum output of 500 K. W. have been installed. With the extension of the pipeline from Ernakulam to Mattancheri, Willingdon Island will get a plentiful supply of fresh water from this source and the piping for the water main which will take off from the State's water main to Mattancheri is being

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